

DEPARTMENT OF CHILDREN AND FAMILIES  
CONSOLIDATED BUDGET FORMS AND NARRATIVE  
INSTRUCTIONS **REVISED January 2005**

To be completed for each Program/Service funded by DCF except Therapeutic Foster Care, Medically Complex, Shelters, Residential Treatment.

Each program must have an individual budget narrative prepared on your agency's letterhead and must be precise, complete, and specify how calculations as well as allocations are determined. Please reference line items in the narrative. Non-personnel expenses cannot be allocated by the percentage of FTEs assigned to a program. The allocation plan must be explained in a narrative accompanying the budget application and approved by DCF prior to its application to expenses related to DCF funded programs.

GENERAL NOTES

1. The consolidated budget identifies and classifies all sources of projected income and expenses for the specific Program/Service for which DCF participates in funding. Please start with 100A (Direct Service) series – this information carries forward to all pages of the consolidated budget. Then, move on to the line-by-line accounting of all other expenses.
2. All income and expenses are to cover an annual budget period, unless otherwise specified by the Department.
3. The legal name of the agency should be stated on first page and will carry forward to all other pages.
4. Expenses that cannot be assigned to DCF Programs directly or indirectly are as follows:

Fines and Penalties	Interest Expense to finance or refinance assets
Fundraising Costs	Entertainment
Charitable Contributions(including donated use of property)	
Bad Debts	
Amortization of Capital Assets	
Principal on Mortgages/Loans	Depreciation
Taxes, other than payroll	Legal fees for action against State
Renovations/Alterations	
Mileage Reimbursement in excess of current GSA rate	
Capital expenditures without Specific DCF approval (over \$1,000 with a useful life of more than one year)	
Meals/snacks for agency staff	
Additional accounting fees/staff salaries due to DCF audits	
Cost of idle facilities without DCF prior approval	
Losses on other awards	
Organization dues without DCF prior approval	
Premiums for overtime, extra-pay shifts and multi-shift work without DCF prior approval	
Unreasonable recruiting costs	

5. All columns will automatically total and carry forward to appropriate pages. Please double check all figures. Contact Central Office Fiscal Division Contracts Unit should you find a problem.
6. Do not number any of the pages. These pages will be attached to and become a part of your final, executed contract. DCF staff will number the pages at that time.
7. Type in DCF Program Name at the top of each column where numbers are currently located. This will happen automatically on each page if you begin with the 100A (Direct Services) series.
8. All areas that are shaded yellow will allow data input. White fields will not allow any input.

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9. The total DCF awarded funds cannot change via "Budget Revision". Budget revisions are submitted when individual line items change within the original contracted amount. Any changes in the total DCF awarded funds would constitute an "Amendment" to the contract.

**DISTRIBUTION OF SALARIES/WAGES**

If salaries must be allocated, the amount should be an accurate allocation of salaries anticipated to be paid to personnel for each program. A time/effort reporting system should be utilized to support the allocation of salaries and wages to a DCF program. It is necessary for your agency to maintain supporting documentation. All personnel expenses should be assigned in accordance with program descriptions and guidelines.

100 Series

- 100A Only employees providing Direct Services are to be included on these pages. Direct Services include face-to-face or phone contact with clients and families; attendance at meetings when clients or families are present; and clinical supervision of staff providing direct service
- 100B Only employees providing Administrative Support Services are to be included on these pages.

The following information must be indicated for each individual employee:

The total hours are to include vacation time, sick time, personal leave and compensatory time.  
e.g. 40 hr. week = 2080 hours annually  
35 hr. week = 1820 hours annually

Each employee assigned to a DCF program must be listed by position. Include percentage of time each employee will work in the program.

Name/Position:

State the name of the employee as well as his/her position title  
e.g. Jane Jones  
Parent Aide Supervisor

Totals :

State the TOTAL number of hours as well as TOTAL salary or wages each employee will be paid during the fiscal year.

Allocate each employee's total salary or wages for the Program/Service in the appropriate column. This includes position/s and its planned salary or wage expenses anticipated for the program.

200 Series: Fringe Benefits:

Provide an explanation of your agency's employee benefit expenses, such as medical/health insurance, life insurance, and retirement plans. In addition to an explanation of budget expenses, indicate the amount of any contribution required of the employee(s). Provide explanation of pension plan (if any) for all employees, directors and officers. Indicate benefits provided for full-time as well as part-time employees. All benefits must be listed individually by type.

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200-202: The employer's share of payments made toward FICA, Unemployment Taxes, and Workers Compensation based on salary expenses allocated to the program/service.

203-205: The allocated cost of medical/health insurance, life insurance, and retirement based on salary expenses allocated to the program/service. Report the agency's projected expense not the total cost of the premium. Include the percentage of employee contribution toward premiums in the sentence "Employees pay \_\_\_\_% of the cost of health insurance "

206: Other: Indicate and explain in a narrative any other fringe or benefit expenses not covered in items 200-205.

**300 Series: Consulting and Contractual Services**

This series consists of consultants and/or subcontractors who will receive monetary reimbursement for services delivered. Some examples are clinical services to clients and consultation, supervision and education for staff.

Justification will be required for all outside services purchased to support direct program/service. The narrative should include:

- name of contracted party (if unknown, state "to be determined")
- services to be provided
- period of time services to be performed
- rate of payment for services (hourly, daily, etc)
- planned total cost of services
- signatures of acceptance (submitted to DCF upon receipt of subcontractor acceptance of agreement)

For administrative services to the agency as a whole, explain allocation calculation and methodologies.

**Important Note:** If the contractor/vendor/landlord is a related party to the organization, director and officers, please disclose the nature of the transaction, terms of payment agreement, the related party/ies and the amount of the contracted service. Please explain how the amounts were arrived at with supporting documentation attached to this budget application. Adequate supporting documentation is required to obtain Prior approval from the commissioner on related party transactions before such cost is allowable. The cost should be reasonable and necessary to the DCF funded program.

Provide copies of all agreements for these program/services.

Example of contractual/ consulting services narrative:

Name: Joe Le, M.D.

Services: will provide psychiatric evaluations of clients, including written reports

Rate of payment for service: \$125 per hour

Total cost of services: 20 clients X 2 hours per evaluation X \$125 per hour = \$5,000

**400 Series: Travel**

400: Public Transportation: costs projected for client and/or staff use of public transportation when necessary to carry out this program/service. Identify source of transportation used and by whom (client and/or staff). State how figures were calculated.

401: Vehicle Maintenance: costs projected for the operation of agency vehicles if their use is an integral part of the program/service. These expenses may include gas, oil and maintenance/repair costs and could be allocated to the program/service.

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Agencies should maintain a system of accountability (i.e., mileage log).

402: Personal Vehicle Mileage: Employee reimbursement for mileage costs is allocated in this line item. This should be described in the narrative.

Example: 100 miles per month X 12 months X \$.375(rate) X 4 employees equals \$1,800.

**\*\*If your agency reimbursement rate exceeds the State (GSA) rate, sufficient other funding must be allocated to this line item. Please state this in the budget narrative. The State will not reimburse above the GSA (Federal) rate. Agencies should maintain supporting documentation of the actual mileage usage for reimbursement (i.e., employee/travel reimbursement forms documenting mileage usage and business purpose, mileage log, etc.)**

404: Other: travel expenses may include travel and/or lodging expenses for program staff to attend conferences and/or seminars. Expenses in this line item must be explained. Identify staff, as well as, business purpose and relationship to the program/service.

500 Series: Consumables

500: Food: costs as applicable to this program/service. Explain how food costs are Estimated (i.e., daily per person basis or per meeting times, number of days, meetings, etc.). Explain relationship of food costs to the program/service. No food expense is reimbursable for staff meetings.

Example of an allowable food expense: 10 children X \$1 per child X 2 sessions per week X 52 weeks equals \$1,040.

501: Office Supplies: The cost of administrative material and supplies needed to carry out office functions for the program/service. Items such as stationery, paper, duplicating materials, pencils, pens, typewriter ribbons, etc., are included in this line item category. Explain method of calculating allocation to the program/service.

502: Program Supplies: The cost of program/service supplies required or needed to carry out the specific program/service are included in this line item.

503: Household & Ground Supplies: The cost of household, janitorial, and grounds supplies. Explain how these supplies are allocated to the program/service, as well as types of supplies included in this line item.

506: Other: Other consumables not identified in line items 500-503 may be allocated in this line item as appropriate (i.e. client subsidies).

600 Series: Rent

600: Rent: Rental expenses must be identified on this line item. Principal costs on mortgages and loans are non-allowable expenses. Depreciation is not allowed. Explain how rental expenses are allocated for distribution as an expense to the program/service. You must also provide a copy of your rental lease which will state to whom rent is paid, as well as, rental cost.

Example: The lease with ABC Realty (unrelated party) for a building located at 1 Elm St runs from July 1, 2005 to June 30, 2006 1000 sq ft X \$4.00 per sq ft/year X one year equals \$4000.

Describe in detail any unusual lease agreements (i.e. capital lease, sale-leaseback agreements, leases involving building or land only, options to buy the leased properties, and other special conditions that would allow the tenant to own in whole or in part the leased property at some point before or after the lease term expires), including related party transactions, use of donated property or non-cash

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transactions. Provide a copy of the lease agreement, explanation of how the lease amounts were determined. At a minimum please provide (1) the market value of rental properties in the same area, (2) total market value of the rented property, (3) total estimated useful life of the rented property, and (4) book value of the property. DCF will review the reasonableness of the proposed Rent by using the methods outlined in the OMB Cost Principle A-122 and based on the adequacy of information itemized above. Additional information may be requested to determine reasonableness of cost. Prior approval is required for related party transactions.

601: Renovations/Alterations: Not allowable from DCF funds within this contract.

602: Maintenance & Repair: General maintenance and repair expenses (excluding renovations) incurred in the normal operation of this program/service. Explain expenses, if any, allocated to the program/service, as well as the basis for determining method of allocations. Identify specifically the expenses in this line item.

603: Other: Rental of other Real Property if required to carry out the program. Explain the need for rental expenses of other Real Property for the specific program/service. Provide a copy of the rental agreement identifying location, cost terms, etc.

700 Series: Capital Expenditures

All personal property items with a useful life of one year or more and a value or Cost of \$1,000 or more must be capitalized. Each item must be reported separately.

700-704: Capital equipment cannot be purchased or funded with DCF funds unless authorized in advance by DCF in accordance with the regulations/guidelines of the funding source of income. If after providing a justification for need, capital equipment expenses have been authorized with DCF funds, the following must occur: three (3) bids must be obtained and documented, and an Equipment on Loan form CO-1079 provided by DCF, must be completed. This form, identifying the Capital Equipment in detail and stating that it is DCF property must be signed and returned to DCF. A copy of the invoice documenting the purchase must be attached. If the program/service for which the equipment was purchased is no longer funded by DCF, then DCF will determine the disposition of the equipment (i.e., return to DCF, sell, remain at your agency, etc.) Capital equipment funded by DCF cannot be disposed of without prior approval by DCF.

Data Processing Equipment such as computers that are valued less than \$1,000 should be program supplies (line item 502) or office supplies (line item 501) depending on use.

800 Series: Other Expenses

800: Utility expenses – electric, fuel, etc. Specify how utility expenses have been estimated. If allocation is necessary, please explain the methodology used. The allocation basis should be adequately supported by an independent objective source that can be easily verifiable and documented i.e. square footage, actual no. of employees, actual no. of clients served, total salaries, etc..

801: Telephone, cell phones and beepers expenses. Include copies of contracts. Specify how telephone expenses are determined. State how allocation of these expenses are calculated. An example would be 2 beepers X 12 months X 10.00per month equals \$240.00

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802: Insurance: Insurance expenses for the operation of the program(s) should be identified here. Identify and itemize the type and cost of each specific insurance to be purchased ( i.e. worker's compensation, business coverage, liability coverage, auto insurance, etc). Explain how estimated insurance cost was arrived at.

803: Postage and shipping expenses related to the program/service is identified in this line item. Explain how postage costs are estimated to the program/service.  
Explain the allocation of postage costs to the program/service.

805-807: Applicable to Residential and Shelter services only.

808: Other expenses not identified in any other line item may be identified here (such as recruitment costs, publicity and graduate stipends).

809: General and Administrative (G &A): costs must be clearly itemized, defined and identified as to the categories included as well as the basis for calculating the cost. The nature of costs reported under this category should not be included in any of the above cost categories. Explain in the budget narrative the allocation method used to determine the distribution of these costs to the program/service.

ACCOUNT SUMMARY PAGE

Columns will automatically carry forward the detail from the line-by-line reporting of all expenses by series type.

Columns will automatically carry forward expense and income as requested on to the final page and report percentages of the totals.

INCOME

Income Statement

Identify the specific sources of projected income. This projection should be based on a realistic expectation. Include the names of other State agencies, Federal agencies, as well as other sources of funding applied to this program/service. Total projected income must equal total projected expenses.

Identify and explain any restrictions on income reported.

All program funding is considered to be applied proportionately to program costs. DCF funds cannot be spent separately or "first" before using other source of funding such as fund-raising.

Surplus funds will be allocated by the percentage they represent of total funding. For example, a program for which the total dollar amount is \$100,000 has DCF funds of \$75,000, and the balance is supported by other source of income. If total program expenditures equal \$80,000 then 75% of the unexpended funds (\$20,000), or \$15,000 (75% x \$20,000) would be returned to DCF.

Revised 1/5/05